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EPB

The Chairman, Estimates Production Board

12 December 1949

Chief, Latin America Division

Intelligence Production on Effects of US Policies

1. With reference to the discussion that developed in the EPB meeting on 7 December, the views of this division on the above subject are: that estimation of the probable effects of existing, announced, proposed, or hypothetical US policies or actions on the area of assigned responsibility is an important part of intelligence coverage by any division of ORE; that such coverage is authorized by charter and by precedent; that there is no fundamental reason why such production need seem an overstepping of CIA's authority to any department of the US Government; and that such production is in no way an attempted usurpation of the "action thinking" function of any department.

2. Estimation of the effects of US policies and actions is frequently necessary for complete coverage. In many areas the position taken by the US is the most important single factor affecting events in an area. This is particularly true of countries within the immediate zone of US predominance in Latin America but US action certainly has frequently a comparable effect in other areas also. If, for example, the continuance of a particular government depends upon US support, it would be unrealistic to estimate its chances of continuance without evaluating the effect of various degrees of US support. A similar situation exists in small countries a large part of whose income is obtained from the expenditure of US personnel and installations in their territories, and in countries whose economic state depends on decisions made in the US.

3. Reporting on the effects of US policies and actions is normal for CIA. NSCID 3 in paragraph 1. c (1) defines staff intelligence as "that intelligence prepared by any department or agency through the correlation and interpretation of all intelligence materials available to it in order to meet its specific requirements and responsibilities" (underlining supplied), and definitely recognizes CIA's legitimate part in the production of staff intelligence in 1. c (5). When a proposed or possible action by the US would be the governing factor in a situation, this division believes that any staff interpretation of this situation failing to consider that factor would be faulty and that CIA would be remiss in its assigned duties if it omitted such consideration. CIA has frequently been specifically asked to prepare estimates on the probable effects of US policies (see "Group C", Appendix C, First Report, Ad Hoc Production Review Subcommittee, 19 July 49). To assume CIA should perform this function only when specifically directed would contradict every conception of the fore-warning function of intelligence.

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4. This division considers that the likelihood of giving offense to other agencies can largely be eliminated by careful attention to form of presentation. Not only is there no need to include actual recommendations; material as to the probabilities attendant on certain courses of action can be presented in such form and with such temperateness of language as to make it entirely clear that this agency is leaving the final decision to other groups and contributing merely certain estimations which should be considered in making that decision. For example, this division's ORE 60-49, Standardization-of-Arms Program in the Western Hemisphere, which concluded that the realization of the program would be indefinitely postponed unless certain conditions -- obviously, though not explicitly so stated, depending on US action -- shortly came into being, received concurrences from all IAC agencies. Had State's policy people resented this paper, our experience is that State's intelligence organization would have found some pretext for dissenting.

5. There is no usurpation of the "action thinking" function of the departments by CIA's activities in this field since CIA is calling attention only to some of the factors which should be considered in making a decision. CIA points out the probable effects of a US action or policy solely regarding the foreign area in question and of course does not attempt to evaluate other considerations. If this division, for example, estimates that lessened Army expenditures in Panama will produce an economic crisis in that country, we are far from even insinuating we think Department of Defense should neglect all strategic -- to say nothing of budgetary -- considerations to come to the rescue of the Panamanian people; we merely point to a circumstance that State and Defense should weigh against other factors in their decisions. This division believes there must be at least two stages in making any important national decision; first, the identification and appraisal of relevant factors; second, the comparative weighing of these factors one against the other in terms of existing policy or strategic necessity. In the latter stage CIA cannot intervene, but in the former stage we can and should furnish valuable assistance.

6. In summary, this division believes that there is no compulsion, either in charter or in the necessity of maintaining good inter-departmental relationships, for CIA to refrain from estimations on US actions and policies; and that for CIA to refrain from such estimates would be to neglect a portion of its duty and seriously to lessen CIA's long-range capacity for furnishing support for the formulation of US policy.

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